GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3463
ANSWERED ON:08.08.2016
Policy on Single Brand Retail
Birla Shri Om;Singh Shri Abhishek

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of the guidelines framed for single brand retail business under the Foreign Direct Investment (FDI) policy of India;

(b) whether many international companies/brands have shown interest in opening their single brand outlets in the country;

(c) if so, the details thereof along with the companies/brands that have requested the Government for waiver under the local sourcing clause including the Apple company, company-wise;

(d) the details of the companies that have been denied permission for failing to adhere to the 30% local sourcing norms; and

(e) the steps taken by the Government to reduce subjectivity on discretionary decisions regarding the local sourcing norms and its waiver related to cutting edge technology?

Answer

???????? ??? ?????? ???????????? (????????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a): Extant Foreign Direct Investment (FDI) Policy for undertaking Single Brand Retail Trading (SBRT) in India is at Annexure-I.

(b): Yes, Madam.

(c) & (d): This Government has since June 01, 2014, approved 20 proposals for foreign investment in the single brand retail trading. List of companies along with brand name for which single brand retail trading permission has been granted is at Annexure-II.

As per extant FDI Policy on SBRT, in respect of proposals involving foreign investment beyond 51%, sourcing of 30% of the value of goods purchased, will be done from India, preferably from MSMEs, village and cottage industries, artisans and craftsmen, in all sectors.

FDI Policy on this sector was last amended vide Press Note 5 of 2016 dated 24.6.2016 and provides that in case of 'state-of-art' and 'cutting-edge technology', sourcing norms can be relaxed subject to Government approval. However, with a view to promote domestic manufacturing capacities and value addition, it has further been provided that this relaxation will be valid for an initial period of three years from the opening of first store, and thereafter, such entities will be required to meet the domestic sourcing norms. There is, thus, no provision for unqualified waiver from sourcing condition in the FDI policy.

M/s Apple India Private Limited, M/s Acer India Private Limited, M/s Le Ecosystem Technology India Private Ltd., M/s Lenovo (India) Private Limited and M/s OPPO Mobiles India Private Limited have sought relaxation of sourcing condition. No decision has been taken by the Government.

(e): The proposals for undertaking SBRT, including those involving issues relating to relaxation of sourcing conditions on account of 'state-of-art' and 'cutting edge technology' are examined by Ministries/Departments concerned. Thereafter, Government considers these proposals taking into consideration views and comments of such Ministries/ Departments.

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